

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit Original  
to Appropriate  
District Office

**GAS CAPTURE PLAN**

Date: 06-12-18

Original

Operator & OGRID No.: DJR Operating, LLC (371838)

Amended - Reason for Amendment: \_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

*Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A*

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API (30-025)	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Elk 297H		L-36-24N-5W	1946' FSL, 837' FWL	1200	~30 days	Flare on flowback before connecting to pipe
Elk 299H		L-36-24N-5W	1932' FSL, 851' FWL	1200	~30 days	Flare on flowback before connecting to pipe
→ Elk 301H	31-3370	L-36-24N-5W	1866' FSL, 921' FWL	1200	~30 days	Flare on flowback before connecting to pipe
Elk 303H		L-36-24N-5W	1879' FSL, 907' FWL	1200	~30 days	Flare on flowback before connecting to pipe
Elk 305H		L-36-24N-5W	1893' FSL, 893' FWL	1200	~30 days	Flare on flowback before connecting to pipe
Elk 336H		L-36-24N-5W	1959' FSL, 823' FWL	1200	~30 days	Flare on flowback before connecting to pipe
Elk 338H		L-36-24N-5W	1919' FSL, 865' FWL	1200	~30 days	Flare on flowback before connecting to pipe
Elk 340H		L-36-24N-5W	1906' FSL, 879' FWL	1200	~30 days	Flare on flowback before connecting to pipe

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are completed. The gas from this production facility will be connected to the existing **Enterprise Products** gas gathering system located in Rio Arriba County, New Mexico. The pipeline system with an identified connection and metering point is currently existing at the corner of this pad location. It will be transported from this location and delivered to the **Enterprise Chaco Gas Processing Plant** located in **Sec. 16, T26N, R12W**, San Juan County, New Mexico for further processing. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

**Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids, gas composition and sand content will be monitored. When the produced fluids contain minimal sand, air and nitrogen the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on **See Below** system at that time. Based on current information, it is DJR's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

### **Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Flow to Gas Sales: Once well is cleaned up after fracture stimulation the gas will be delivered to the pipeline for compression and transportation to the Enterprise Chaco Gas Processing Plant for NGL processing.
- Vapor Recovery Unit (VRU)– On lease: Gas vapors from oil tanks will be routed to a vapor recovery unit for capture, compression, measurement and delivery into the DJR Operating gas gathering system.
- A Smokeless Combustion Chamber (SCC) will be installed as a backup to the VRU to control tank emissions.

### **DJR Operating, LLC:**

#### **Gas Capture Plan: Gas Transporter & Processing Plant Information**

Gas from this location will be gathered and transported by DJR Operating through their existing pipeline system currently existing at the corner of this location.

**1. DJR Operating, LLC**

Custody transfer of the gas from the wellsite / pad into the DJR Operating system currently existing at the site:  
Sec. 36, T24N, R5W  
Rio Arriba County, New Mexico

**2. Enterprise Products, LLC**

DJR Operating will deliver the gas to the **Enterprise Chaco Gas Processing Plant** located:  
Sec 16, T26N, R12W  
San Juan County, New Mexico